

RESOLUTION NO. 2007-616

Adopted by the Sacramento City Council

August 21, 2007

WIDENING DEL PASO ROAD; SUSPENDING COMPETITIVE BIDDING; APPROVING PLANS AND SPECIFICATIONS; CREATING A CAPITAL IMPROVEMENT PROJECT; APPROPRIATING FUNDS; APPROVING A PURCHASE AGREEMENT WITH K. HOVNANIAN FORECAST HOMES NORTHERN; AND AWARDING A CONTRACT TO TEICHERT CONSTRUCTION

BACKGROUND

- A. To alleviate an unacceptable situation that is rapidly becoming acute, the City needs, as soon as possible, to widen a 960-foot-long segment of Del Paso Road between El Centro Road and Interstate 5, to construct a traffic signal at the intersection of Del Paso and El Centro Roads, and to construct related improvements on the east side of El Centro Road between Del Paso Road and Harkview Lane (the "Project").
- B. No one developer is obligated to complete the entire Project. Obligations that do exist would complete only portions of it, and at unpredictable times.
- C. Under a contract with K. Hovnanian Forecast Homes Northern, Inc. ("Forecast Homes"), the developer of Natomas Central, Teichert Construction ("Teichert") is currently improving portions of Del Paso Road and El Centro Road in the vicinity of the Project.
- D. At the request of City staff, Forecast Homes asked Teichert to submit a bid for the Project, with the understanding that Teichert would contract directly with the City. Teichert has agreed to do so using the same unit costs that are in its contract with Forecast Homes, a contract that was awarded following competitive bidding in accordance with the City's standard requirements.
- E. Because the Teichert bid for the Project was negotiated, it is necessary to suspend competitive bidding.
- F. In addition, Forecast Homes, in the interest of fast-tracking this improvement and as a voluntary partner, advanced funds to have Wood Rodgers Engineering prepare plans and specifications for the Project. The City will purchase these plans and specifications from Forecast Homes at

cost. Gurmukh Gosal, the developer of a Crowne Plaza Hotel at the southeast corner of Del Paso and El Central Roads, will provide the City with additional plans and specifications for the Project, at no cost.

- G. The cost of the Project is supported by revenues from North Natomas Development Impact Fees and the Major Street Construction Tax that would be programmed under North Natomas Finance Plan standards. There are costs in excess of these amounts that will be funded by developers with frontage-improvement obligations.
- H. The Project includes improvements to the east side of El Centro Road between the intersection with Del Paso Road and Harkview Lane, which is approximately 560 feet north of the intersection, as an inducement for Ose Properties' early dedication of right-of-way easements needed for the widening of Del Paso Road. Ose Properties owns the land adjacent to the north side of Del Paso Road and normally would not be required to dedicate the easements until the City approved Ose Properties' development plans for the land (i.e., Natomas Landing). Ose Properties will provide the plans and specifications for the improvements on El Centro Road and will reimburse the City for all costs the City incurs to construct those improvements.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The City Council finds that the statements set forth in the Background are true, and those statements are adopted as findings of fact.
- Section 2. The City Council determines that it is in the City's best interest to suspend competitive bidding for the Project based on the report submitted by staff, the findings of fact set forth in the Background, and the following additional findings of fact:
 - (a) The segment of Del Paso Road between Interstate 5 and El Centro Road is currently four lanes wide at the bridge over Interstate 5 but quickly tapers down to two lanes with no median, shoulders, or sidewalks. It expands to include a left-turn lane just before the intersection with El Centro Road.
 - (b) Notwithstanding the lack of sidewalks, children who live east of Interstate 5 and attend Natomas Middle School use this segment of Del Paso Road to walk to and from school.
 - (c) Del Paso Road is currently at Level of Service "C" at the intersection with El Centro Road and Level of Service "B" east

of the intersection. The Level of Service will soon deteriorate substantially, because a neighborhood shopping center will open during summer 2007 at the northwest corner of Del Paso and El Centro, and a Crowne Plaza Hotel will open during fall 2007 at the southeast corner of the same intersection. In addition, the residential Westlake (Westborough) development northwest of the intersection is almost fully occupied, and construction of the Natomas Central development southwest of the intersection, comprising over 1,700 residential units, is well underway.

- (d) Given the anticipated increase in traffic volume on this segment of Del Paso Road, as well as at the intersection of Del Paso and El Central Roads, public safety and convenience require that Project be completed as soon as possible. If, however, the City were required to award a contract for the Project using formal competitive bidding, then the widening likely would not be completed until late 2008 or mid-2009.

Section 3. The City Council hereby approves the plans and specifications for the Project.

Section 4. The City Council hereby awards a contract to Teichert Construction in the amount of \$1,434,000 for construction of the Project other than two of three westbound lanes on Del Paso Road and improvements to the east side of El Centro Road between Del Paso Road and Hawkview Drive. The contract includes an option adding the two additional westbound lanes and the improvements to El Centro Road and increasing the contract to \$1,979,200 if, and only if, an agreement with Ose Properties is signed and delivered as set forth in Section 8.

Section 5. The City Council hereby approves a purchase contract with Forecast Homes in an amount not to exceed \$319,500 for the purpose of acquiring plans and specifications for the Project.

Section 6. The City Council hereby establishes a Capital Improvement Project for the Del Paso Road Widening (PN:TR76).

Section 7. The City Council hereby approves an agreement with Gurmukh Gosal (Crowne Plaza Hotel) obligating him to reimburse the City for his share of the Project costs, estimated to be \$95,841.

Section 8. The City Council hereby authorizes the City Manager to sign an agreement with Ose Properties No. 2, a California limited partnership ("Ose Properties"), obligating it to reimburse the City for Ose

Properties' share of the Project costs, estimated to be \$294,495. The agreement requires Ose Properties to reimburse these costs before recordation of a final map for its development of the land adjacent to the north side of the Project (the proposed development is currently named Natomas Landing). The agreement also obligates Ose Properties to reimburse the City for all costs the City incurs to construct the improvements on El Centro Road, estimated to be \$184,926, with reimbursement of these costs due when the City completes those improvements. The contract must be signed by Ose Properties and delivered to the City's Department of Development Services no later than 4:00 p.m. on Monday, August 27, 2007, and is to be in a form acceptable to the City Attorney's Office. If the contract is timely signed and delivered, then the City Council hereby authorizes the City Manager to invoke the option under the contract with Teichert Construction.

Section 9. The City Council hereby authorizes the Mayor to sign, on the City's behalf, the agreements approved by this resolution.

Section 10. The City Council hereby authorizes the City Manager to establish the Del Paso Road Widening (TR76) project budget in the amount of \$2,354,000 for construction and consultant costs, storm-water erosion-control measures (\$50,000), and staff and miscellaneous costs (\$5,300), as follows:

- (a) appropriate \$1,489,429 from the North Natomas Community Development (Fund 780) fund balance;
- (b) appropriate \$524,034 from the Major Street Construction Tax (Fund 209) fund balance; and
- (c) establish a revenue and expenditure budget in the amount of \$340,537 (\$95,841 from Gurmukh Gosal, Crowne Plaza; \$184,926 from Ose Properties, Natomas Landing; and \$59,770 from Forecast Homes).

Section 11. The Finance Director is authorized to establish a loan in the amount of \$524,034 from the North Natomas Community Development (Fund 780) to the Major Street Construction Tax (Fund 209) to be repaid in FY2008/09 without interest.

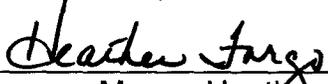
Adopted by the City of Sacramento City Council on August 21, 2007 by the following vote:

Ayes: Councilmembers Fong, McCarty, Pannell, Sheedy, Waters, and Mayor Fargo.

Noes: None.

Abstain: None.

Absent: Councilmembers Cohn, Hammond, and Tretheway.



Mayor, Heather Fargo

Attest:

for 

Shirley Concolino, City Clerk